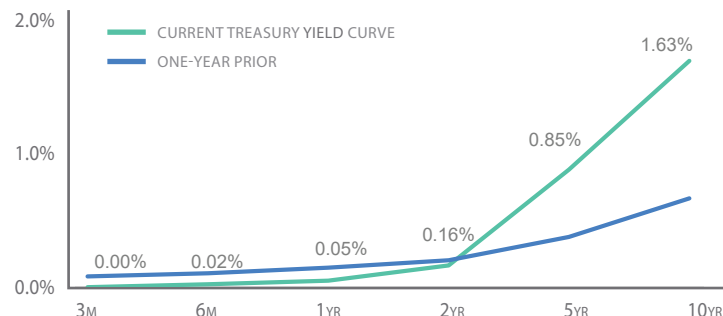


Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 4/30/21

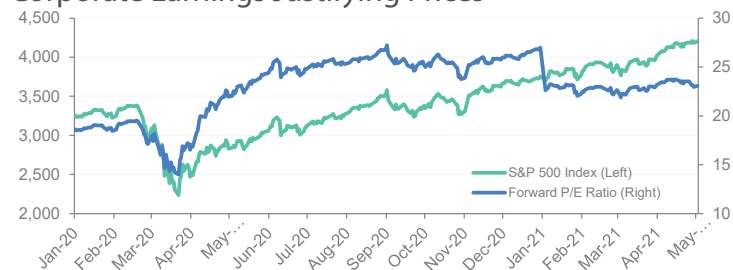
FEATURED MARKET DATA

Strong First Quarter Earnings

Publicly traded companies are reporting strong first quarter earnings. The fast recovery in corporate earnings is helping to justify soaring stock prices since markets bottomed in March 2020. As of April 30, stronger than expected earnings had been reported by 87% of S&P 500 companies who had reported earnings, according to market data firm Refinitiv. Furthermore, companies are beating analyst expectations by more than usual. Rising earnings and earnings estimates have helped to cap forward price / earnings (P/E) ratios, a measure of market valuation. The S&P 500's forward P/E ratio has declined to 23 times 1-year forward earnings estimates, down from a peak in the past year of more than 27 times earnings in September.

Source: Bloomberg, Wall Street Journal

Corporate Earnings Justifying Prices



Source: Bloomberg

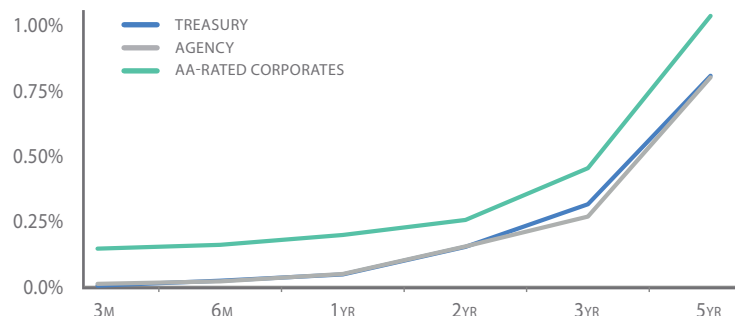
RECENT NEWS

A Dovish Federal Reserve

The Federal Reserve voted unanimously in its April meeting to hold the Fed Funds rate at near 0%. Fed officials reiterated that they will hold rates steady until the labor market is back to full strength and inflation has reached the central bank's goal of averaging 2%. The Fed believes the recent uptick in inflation and projections for a near term rise are transitory in nature, largely reflecting very low year-over-year comparisons when energy prices fell sharply. While acknowledging economic improvement, Fed Chairman Jerome Powell said at a news conference following the Fed's meeting that the recovery "remains uneven and far from complete."

Source: Bloomberg

Market Yields



Source: Bloomberg Finance L.P. 4/30/21

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Core CPI (YoY)	04/13/21	MAR	2.5%	2.6%	1.7%
Core PPI (YoY)	04/13/21	MAR	1.5%	1.6%	1.3%
Retail Sales Ex. Auto (MoM)	04/15/21	MAR	6.4%	8.2%	-3.3% (R)
Housing Starts	04/16/21	MAR	1613K	1739K	1457K (R)
S&P Case Shiller 20-City Home Price Index (YoY)	04/27/21	FEB	11.80%	11.94%	11.12% (R)
Consumer Confidence	04/27/21	APR	113.0	121.7	109.0 (R)
GDP Annualized QoQ	04/29/21	1Q A	6.7%	6.4%	4.3%
Change in Nonfarm Payrolls	05/07/21	APR	980K	--	916K
Unemployment Rate	05/07/21	APR	5.7%	--	6.0%

Source: Bloomberg Finance L.P. 5/3/21. Glossary terms on following page.

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

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